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TO: Chair Kesha Ram Hinsdale
Members of the Senate Committee on Economic Development, Housing and General Affairs

FROM: Mike Pieciak, State Treasurer

DATE: February 23rd, 2024

RE: Testimony in Support of Proposal 3 to the Vermont State Constitution

Dear Chair Ram Hinsdale and Members of the Committee:

I write in strong support of Proposal 3 to the Vermont State Constitution that would enshrine the constitutional right to collectively bargain in our state.

It is my goal as Treasurer to support policies that will grow our economy and help Vermonters build a stronger financial future for themselves and their families. Proposition 3 upholds the fundamental principle of economic equity in our state and recognizes the essential role that collective bargaining plays in building a fair and prosperous Vermont economy.

Through collective bargaining, unions in Vermont support good middle class jobs by delivering higher wages, more comprehensive benefits and improved working conditions. Unions also provide job training opportunities to help employees advance their careers and stay competitive in the job market. Strong union membership is consistent with a decent economy that facilitates economic security and social mobility.

Not only have unions brought economic opportunities to the middle class – importantly they have also worked to build financial equity into our economy. Research demonstrates that unions have narrowed racial wealth gaps; they have increased intergenerational mobility for the children of union parents; and they have improved access to benefits, particularly for women and Black workers.

In the Treasurer's Office, we work closely with unions representing our teachers, state employees, and municipal workers. These unions have been instrumental in fostering economic stability for those who have dedicated their lives to serving our communities. We have worked with these unions to strengthen our public pension system for the next generation of workers. Our state's public pension system is a win-win, providing financial security to public workers, serving as a valuable recruitment and retention tool for public employers, and supporting economic activity in our state. [Every dollar invested by Vermont taxpayers in our state pension plans supports nearly \\$4 in total economic activity statewide.](#)

This is a concrete example of the power of collective bargaining to bring economic empowerment to thousands of middle-class workers.

The [U.S. Bureau of Labor Statistics](#) currently indicates that rates of union membership of public workers (32.5%) is more than five times greater than private sector employees (6%). Enshrining the right to collective bargaining in Vermont's constitution will support stronger union membership statewide, supporting Vermonters' economic welfare and helping create an economy that works for all.

By passing Proposal 3, the Vermont Legislature would establish a valuable backstop against any future attempts to interfere with Vermont workers' right to collectively bargain.

Proposal 3 would reinforce Vermont's dedication to equitable business practices and supporting workers, solidifying our state as a hub for responsible entrepreneurship and strengthening our economy for generations to come. For example, Vermont already leads the nation in having the most B Corporations per capita - for-profit businesses certified for meeting standards of excellence in environmental and social responsibility, compliance, and transparency.

I strongly support Proposal 3 as it aligns with our Office's mission of creating a stronger, more inclusive Vermont economy for all. I would be more than happy to testify to the committee or answer any questions you might have in writing.

Thank you for taking up this important proposal.